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Bitcoin Regulations by Country (Updated 2017)

August 24, 2017 7:36 pm

by Frederick Reese

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Elliott Smith is a British citizen. Upon returning home from a vacation in Cuba, he learned that his Coinbase account was closed. Coinbase, an American company, was acting in accordance with U.S. Department of Treasury requirements regarding the use of American-hosted funds in a sanctioned country.

Smith's case represents the hazard of differing altcoin laws between nations. Perceptions on altcoins change daily, and this affects the security of altcoin investments.

This sense of ambiguity and lack of international agreement make an international investment in altcoins tricky. To assist you, we have created this list of current national guidelines and official opinions on altcoins. Nations that are unlisted have yet to publicly comment on altcoin use.

Legality of Altcoins by Nation

Nation

◆ Legal Status

◆ Notes



Argentina	Legal	Argentina recognizes altcoins as a good, with no right to be used as legal tender. The National Constitution of Argentina gives altcoins monetary status.
Australia	Legal/Regulated	Australia recognizes altcoins as currency and taxes it accordingly.
Bangladesh	Illegal	Bangladesh's anti-money laundering laws threaten to imprison anyone dealing with altcoins in the country for up to twelve years. "Bitcoin is not a legal tender of any country. Any transaction through Bitcoin or any other cryptocurrency is a punishable offense," the Bangladesh Bank said in a 2014 statement.
Belgium	Unregulated	
Bolivia	Illegal	Bolivia explicitly bans any non-governmental digital currency from use in the country.
Bosnia and Herzegovina	Unregulated	
Brazil	Unregulated	
Bulgaria	Legal/Regulated	Altcoin is regulated by the nation's payment services laws.
Canada	Legal/Regulated	Altcoins are recognized as an "intangible" under the Personal Property Security Act. As with all G7 nations, Canada imposes AML/CTF controls on altcoins.
Chile	Unregulated	
China	See note	China allows private parties to store and trade altcoin in the nation. Financial institutions are prohibited from handling altcoin transactions.
Colombia	Unregulated	

Croatia	Legal	Croatia declared altcoins legal in 2013.
Cyprus	Unregulated	
Czech Republic	Unregulated	The government is officially uninvolved in licensing or regulating altcoin businesses as of 2015.
Denmark	Unregulated	
Ecuador	Illegal	Ecuador sees altcoins as a rival to its national digital currency. The use of non-nationalized altcoins in the country is strictly banned.
Estonia	Unregulated	
Finland	Legal/Regulated	Altcoin transactions via an exchange are exempt from VAT.
France	Legal/Regulated	
Germany	Legal/Regulated	Germany recognizes altcoins as “private money” and a “unit of account” for the purposes of tax and trading. It can be used for “multilateral clearing circle” and is regulated the same as domestically-held fiat currency.
Greece	Unregulated	
Hong Kong	Unregulated	Hong Kong maintains AML/CTF controls over altcoins.
Iceland	Legal/Regulated	In 2017, altcoins were exempted from the Icelandic Foreign Exchange Act, which prohibited transfer of Icelandic currency across borders by means of an exchange.
India	Unregulated	Discussions are currently be held if the Securities and Exchange Board of India or the Reserve Bank of India will have final say over altcoin regulations.

Indonesia	Unregulated	
Ireland	Unregulated	
Israel	Legal/Regulated	Israel recognizes altcoins not as currency or a commodity, but as a taxable asset. Miners and traders must pay corporate income tax in addition to a 17 percent VAT, with sold altcoins asserting a capital gains tax of 25 percent.
Italy	Legal	Italy has no regulations on private use of altcoins.
Japan	Legal/Regulated	Japan recognized altcoins as money and as legal tender for the payment of debt.
Jordan	See note	Jordan permits the use of altcoin by small business and individuals while banning banks, currency exchanges, financial companies, and payment service companies from accepting them. The nation also strongly discourages their use.
Kyrgyzstan	Illegal	Kyrgyzstan only accepts its national currency as legal tender. Use of altcoins is illegal in the country and while there are no legislated penalties for use currently, the potential for such a penalty has been officially noted.
Lebanon	Legal/Cautioned	The nation strongly discourages the use of altcoin, but does not hinder their usage.
Lithuania	Legal/Cautioned	
Luxembourg	Legal/Regulated	Luxembourg issues New York State-style BitLicenses to altcoin businesses.

Malaysia	Unregulated	Malaysia does not recognize altcoins as legal tender.
Malta	Unregulated	
Netherlands	Unregulated	
New Zealand	Unregulated	
Nicaragua	Legal	
Nigeria	Illegal	Nigeria bans banks from engaging in altcoin transactions and requires Anti-Money Laundering/Combating the Financing of Terrorists assurances utilized for any banking customers known to deal in altcoins. Nigeria also does not recognize altcoins as legal tender or as a legitimate commodity.
Norway	Legal/Regulated	Norway sees altcoins as assets subject to the wealth and sales taxes, but not the VAT.
Pakistan	Unregulated	
Philippines	Legal/Regulated	Altcoin transactions are regulated by the Central Bank of the Philippines.
Poland	Unregulated	Poland recognizes altcoins to be legal, but not on par with legal tender or electronic money, as defined by the European Union.
Portugal	Unregulated	
Puerto Rico	See United States	Puerto Rico has no territory/state level laws concerning altcoins.
Romania	Legal/Cautioned	
Russia	Unregulated	Russia struck its ban of the altcoin in 2016.
Singapore	Unregulated	Singapore recognizes altcoin transactions as barter sales and taxes them accordingly.

Slovakia	Unregulated	
Slovenia	Legal/Regulated	Slovenia recognizes altcoins as neither currency nor an asset. As such, there are no capital gains taxes on altcoins. However, Slovenia does tax altcoin mining and altcoin transactions.
South Africa	Unclear/Disputed	The Reserve Bank of South Africa holds that altcoins have “no legal status or regulatory framework.”
South Korea	Unregulated	While not illegal per se, altcoin crimes receive special attention. There are no laws that exclusively focus on altcoins.
Spain	Legal/Regulated	Spain recognizes altcoin transactions as barter transactions.
Sweden	Legal/Regulated	Sweden recognizes altcoins as currency exempt of the VAT, but requires altcoin businesses that handle fiat currency to apply for a license and follow AML/CTF practices.
Switzerland	Legal/Regulated	Elements of the Swiss government have accepted altcoins as payment. Bitcoin businesses may need a banking license to practice in Switzerland and are required to adhere to AML/CTF practices.
Taiwan	Legal/Cautioned/Partial Ban	Altcoin ATMS are banned. Taiwan strongly advises against the use of altcoins and instructs banks dealing with altcoins to follow strict AML/CTF practices.
Thailand	Legal/Cautioned	Thailand reversed its decision to ban altcoin in 2016, choosing to warn against their use.
Turkey	Unregulated	

United Kingdom	Legal/Regulated	Altcoins are recognized simultaneously as “foreign currency” and “private money.” VAT is waived for exchange purchases, but will be collected for other altcoin transactions. Altcoin is subject to capital gains.
United States	Legal/Regulated	Altcoins have varying legality, depending on the state. See guide of altcoin legality in the United States for clarification. Federally, altcoins are treated as commodities that can be taxed as income or for capital gains.
Vietnam	Unregulated	The government is forming a legal framework for altcoins to be completed by December 2017.
Zimbabwe	Unclear/Disputed	Despite being highly skeptical on altcoins and not officially permitting their use as legal tender, Zimbabwe has permitted BitMart to be licensed to practice in the country.

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Author: Frederick Reese



Frederick Reese is a New York-based politics and financial data reporter. He is a frequent contributor to bitcoin, political, and financial publications.



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